Union of Myanmar
Form (B) No. 334
Dated 29.4.2000
Myanmar Investment Commission

The Myanmar Investment Commission

PERMIT

Permit No. 336 /2000 Date 29th APRIL, 2000

The Myanmar Investment Commission issues this Permit under Section 10 of the Union of Myanmar Foreign Investment Law -

(a) Name of Promoter MR. CHENG KIN MING

(b) Citizenship MALAYSIAN

(c) Address 306, JALAN RJ 1/7, RASAH JAYA
70300 SEREMBAN, NEGERI SEMBILAN, MALAYSIA

(d) Name and address of principal organization TEGO SDN BHD
306, JALAN RJ 1/7, RASAH JAYA, 70300 SEREMBAN, NEGERI SEMBILAN, MALAYSIA

(e) Place of incorporation
MALAYSIA

(f) Type of business in which investment is to be made MANUFACTURING OF PACKGING AND RELATED PRODUCTS

(g) Place(s) at which investment is permitted PLOT NO. 248/247-A, BLOK NO.23, INDUSTRIAL ZONE, SOUTH DAGON TOWNSHIP

(h) Amount of foreign capital US $ 7.032 MILLION

(i) Period for bringing in foreign capital WITHIN 18 MONTHS FROM THE DATE OF ISSUANCE OF MIC PERMIT

(j) Total amount of capital (Kyat) EQUIVALENT IN KYAT OF
US$ 7.032 MILLION

(k) Permitted duration of investment 30 YEARS

(l) Name of the economic organization to be formed in Myanmar
CFEL PACKAGING INDUSTRIES COMPANY LIMITED

U Thaung

Chairman

The Myanmar Investment Commission

ဝင်စာအမှတ် ၃၅၄
ရက်စွဲ ၂၇-၅-၂၀၀၀

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

ခွင့်ပြုမိန့်

ခွင့်ပြုမိန့်အမှတ် ၁၃၆/၂၀၀၀   ၂၀၀၀ ခုနှစ်၊ မေ လ ၂၇ ရက်။

ပြည်ထောင်စုမြန်မာနိုင်ငံတော် နိုင်ငံခြားရင်းနှီးမြှုပ်နှံမှု ဥပဒေပုဒ်မ ၁၀ အရ ဤခွင့်ပြုမိန့်ကို မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှု ကော်မရှင်က ထုတ်ပေးလိုက်သည် -

(က) ကမကထပြုသူ၏အမည် MR. CHENG KIN MING

(ခ) မည်သည့်နိုင်ငံသား MALAYSIAN

(ဂ) နေရပ်လိပ်စာ 306; JALAN RJ 1/7, RASAH JAYA, 70300 SEREMBAN, NEGERI SEMBILAN, MALAYSIA

(ဃ) ပင်မအဖွဲ့အစည်းအမည်နှင့်လိပ်စာ TEGO SDN BHD, 306 JALAN RJ 1/7, RASAH JAYA, 70300 SEREMBAN , NEGERI SEMBILAN, MALAYSIA

(င) ဖွဲ့စည်းရာအရပ် MALAYSIA

(စ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်မည့်လုပ်ငန်းအမျိုးအစား ထုတ်ပိုး ပစ္စည်း ထုတ်လုပ်ခြင်း လုပ်ငန်း

(ဆ) ရင်းနှီးမြှုပ်နှံမှုပြုလုပ်ခွင့်ပြုသည့်အရပ်ဒေသ(များ) မြေကွက်အမှတ် ၂၄၀၊ ၂၄၇-က၊ အကွက်အမှတ် ၂၃၊ စက်မှုဇုန်၊ တောင်ဒဂုံမြို့နယ်

(ဇ) နိုင်ငံခြားမတည်ငွေရင်း အမေရိကန်ဒေါ်လာ ၇.၀၃၂ သန်း

(ဈ) နိုင်ငံခြားမတည်ငွေရင်းယူဆောင်လာရမည့်ကာလ ခွင့်ပြုမိန့်ရရှိပြီး ၁၈ လအတွင်း

(ည) စုစုပေါင်း မတည်ငွေရင်း ပမာဏ(ကျပ်) အမေရိကန်ဒေါ်လာ ၇.၀၃၂ သန်း နှင့်ညီမျှသော မြန်မာကျပ်ငွေ

(ဋ) ရင်းနှီးမြှုပ်နှံခွင့်ပြုသည့်သက်တမ်း ၃၀ နှစ်

(ဌ) မြန်မာနိုင်ငံတွင် ဖွဲ့စည်းမည့် စီးပွားရေးအဖွဲ့အစည်းအမည် TEFEL PACKAGING INDUSTRIES COMPANY LIMITED

မြန်မာနိုင်ငံရင်းနှီးမြှုပ်နှံမှုကော်မရှင်

Confidential

GOVERNMENT OF THE UNION OF MYANMAR

MYANMAR INVESTMENT COMMISSION

653 / 691, Merchant Street, Yangon.

Our ref : Ya Ka-1/488/2000(354)
Dated : 27th April 2000.

Tel : 272219, 272855
Fax : 095-01-282101

Subject : Decision of the Myanmar Investment Commission on the Proposal for "Manufacturing of Packaging and Related Products" under the name of "Tefel Packaging Industries Company Limited".

Reference: Ministry of Construction Letter No. 66/Khwe- 3/99 (C-4256) dated 3-1-2000.

1. The Myanmar Investment Commission, at its meeting 5/2000 held on 18-2-2000 had reviewed the proposal for investment in "Manufacturing of Packaging and Related Products" under the name of "Tefel Packaging Industries Company Limited" submitted by Tego Sendirian Berhad of Malaysia as a wholly foreign owned investment. After careful review, it was deliberated that the proposed project approved in principle for implementation and the proposal be submitted to the Cabinet meeting for final approval.

2. The Cabinet, at its meeting 13/2000 held on 4-4-2000 resolved to permit the implementation of the said project. Hence, the "Permit" is herewith issued in accordance with Chapter VI, Section 10 of the Union of Myanmar Foreign Investment Law and Chapter VI, Rule 13 of the Procedures relating to the said Law. Terms and conditions to the "Permit" are stated in the following paragraphs.

3. The permitted duration of the project shall be 30(Thirty) years from the date of signing of the Lease Agreement and extendible for another 2 (Two)terms of 5 (Five) years upon mutual agreement between the Department of Human Settlement and Housing Development and Tefel Packaging Industries Company Limited At the end of the Leased Period, Tefel Packaging Industries Company Limited shall transfer the leased land and buildings together with all materials fixed asset associated there with to the Department of Human Settlement and Housing Development without any consideration within 3(Three) months in good condition, ground damages having been refilled or repaired.

4. The annual rent shall be calculated at the rate of US $ 3 (United States Dollars Three Only) per square meter per annum on the Lease Land area of 4.0197 Acres (16265.5819 square meter) to the amount of US $ 48,797 (United States Dollars Forty Eight Thousand Seven Hundred and Ninety Seven Only). The rent shall be revised in view of previaling annual rent after every 5 (Five) years period and the rate of increase of the rent shall not be more than 15 (Fifteen) percent of the rate of the preceding annual rent.

5. Tefel Packaging Industries Company Limited shall provide a Performance Bank Guarantee to the amount of US$ 20,000 (United States Dollars Twenty Thousand Only) in favour of the Department of Human Settlement and Housing Development winthin 30 (Thirty) days from the date of signing of the One Hundred Percent Foreign Investment Contract.

6. Tefel Packaging Industries Company Limited shall pay for maintenance of the Industrial Zone management fee as prescribed by the Management Committee of the Industrial Zone

7. In issuing this "Permit" the Commission has granted the following exemptions and reliefs:

(a) As per Section-21(b), regarding exemption from income-tax on profits of the business if a reserve fund is maintained and re-invested therein within one year after the reserve is made, Tefel packaging Industries Company Limited shall have to apply for such exemption.

(b) As per Section-21(c), Tefel Packaging Industries Company Limited shall be granted to accelerate depreciation in respect of machinery, equipment, building or other capital assets used in the business to the extent of the original value for the purpose of income-tax assessment. However, Tefel Packaging Industries Company Limited shall have to apply to the Commission such rates of depreciation.

(c) As per Section-21(d), relief from income tax up to 50 percent on profits accrued from exports, such relief has to be applied, upon actual performance.

(d) As per Section-21(e), Tefel Packaging Industries Company Limited shall have the right to pay income-tax payable to the State on behalf of foreigners who have come from abroad and are employed in the enterprise and the right to deduct such payment from the assessable income.

(e) As per Section-21(f), the Commission has also approved the right to pay income-tax on the income of the above-mentioned foreigners at the rates applicable to the citizens residing within the country.

(f) As per Section-21(g), regarding the right to deduct from the assessable income such expenses incurred in respect of research and development relating to the enterprise which are actually required and are carried out within the State, Tefel Packaging Industries Company Limited shall apply, upon actual performance of such research and development programme.

(g) As per Section-21(h), regarding right to carry forward and set-off up to three consecutive years from the year the loss is sustained, Tefel Packaging Industries Company Limited shall file the case, if any, to the Ministry of Finance and Revenue in accordance with Section-4 of the Income Tax Amendment Law, 1991.

(h) As per Section-21(i), exemption from customs duty and all other internal taxes on machinery, equipment, instruments, machinery components, spare parts and materials used in the business, which are imported as they are actually required for use during the period of construction,Tefel Packaging Industries Company Limited shall have to import the machinery and equipment with exemptions and reliefs within 6 (six) months, after receiving the Myanmar Investment Commission's Permit.

(i) However, exemptions and reliefs on raw materials stated as foreign capital shall not be allowed.

8. Tefel Packaging Industries Company Limited shall have to sign One Hundred Percent Foreign Investment Contract and the Lease Agreement with the Department of Human Settlement and Housing Development. After signing such Agreements, (5) copies each of those shall have to be forwarded to the Commission.

9. Tefel Packaging Industries Company Limited, in consultation with the Department of Company Administration, Directorate of Investment and Company Administration shall have to be registered. After registration, (5) copies each of Certificate of Incorporation and Memorandum and Articles of Association shall have to be forwarded to the Commission

10. Tefel Packaging Industries Company Limited shall use its best efforts for timely realization of works stated in the Proposal. If none of such works has been commenced within one year from the date of issue of this "Permit", it shall become null and void.

11. The official date of operation shall be reported to the Commission.

12. Tefel Packaging Industries Company Limited shall endeavour to meet the targets for production and export stated in the proposal as the minimum target.

13. The Commission approves periodical appointments of foreign experts and technicians from abroad as per Proposal. Tefel Packaging Industries Company Limited shall have to consult with Directorate of Labour, Ministry of Labour for appointment of such foreign experts and technicians.

14. In order to evaluate foreign capital in terms of Kyats and for the purpose of its registration in accordance with the provision under Section-24 of the Union of Myanmar Foreign Investment Law, it is compulsory to report as early as possible in the following manner.

(a) The amount of foreign currency brought into Myanmar, attached with the necessary documents issued by the respective bank where the account is opened.

(b) The detailed lists of the type and value of foreign capital defined under Section-2(h) of the said Law, other than foreign currency, to the Chairman, Foreign Capital Evaluation Sub-Committee.

15. Whenever Tefel Packaging Industries Company Limited brings in foreign capital defined under Section 2(h) of the said Law, other than foreign currency in the manner stated in paragraph 14(b) mentioned above, the Inspection Certificate endorsed and issued by an internationally recognized Inspection Firm with regard to quantity, quality and price of imported materials shall have to be attached.

16. After all types of foreign capital (foreign currency and other types of foreign capital) have been brought into Myanma., a report shall have to be submitted to the Commission as prescribed, vide letter No. Na-Ya 9/101/92(416) dated 3-12-92 [Annexure(1)]

17. Tefel Packaging Industries Company Limited shall report to the Commission for any alteration in the physical and financial plan of the project. Cost over-run, over and above the investment amount pledged in both local and foreign currency shall have to be reported as early as possible.

18. Tefel Packaging Industries Company Limited shall be responsible for the preservation of the environment at and around the area of the project site. Hence, it shall observe the directive issued by the Commission vide letter No. Ya Ka-1/139/94 (0440) dated 30-6-94 [Annexure(2)] to undertake all proper treatment systems and other necessary environmental control systems.

19. Tefel Packaging Industries Company Limited shall follow the procedures prescribed by the Commission, vide letter No. Ya Ka-7/403/94 (0434) dated 29-6-94 [Annexure(3)] to expedite the clearance of imports of capital and [illegible] materials required during the initial 3-year operation period.

20. Payment of principal and interest of the loan (if any) as well as payment for import of raw materials and spare parts etc. shall only be made out of the official foreign exchange earnings of Tefel Packaging Industries Company Limited.

21. Tefel Packaging Industries Company Limited, in consultation with Myanma Insurance, shall effect such types of insurance defined under Chapter VIII, Rule 15 of the Procedures relating to the Union of Myanmar Foreign Investment Law.

U Thaung

(U Thaung)
Chairman

Mr. Cheng Kin Ming
Tego Sdn. Bhd

c/o Director General
Department of Human Settlement and Housing Development

cc:
1. Office of the Chairman of State Peace and Development Council
2. Office of the State Peace and Development Council
3. Office of the Government of the Union of Myanmar
4. Office of the Strategic Studies, Ministry of Defence
5. Ministry of National Planning and Economic Development
6. Ministry of Finance and Revenue
7. Ministry of Commerce
8. Ministry of Construction
9. Ministry of Foreign Affairs
10. Ministry of Home Affairs
11. Ministry of Immigration and Population
12. Ministry of Labour
13. Ministry of Electric Power
14. Chairman, Committee for Assisting the Myanmar Investment Commission (Governor, Central Bank of Myanmar)
15. Chairman, Foreign Capital Evaluation Sub-Committee (Director General, Central Equipment Statistics and Inspection Department)
16. Director General, Directorate of Investment and Company Administration
17. Director General, Customs Department
18. Director General, Internal Revenue Department
19. Managing Director, Myanma Foreign Trade Bank
20. Managing Director, Myanma Investment and Commercial Bank
21. Managing Director, Myanma Insurance
22. Managing Director, Myanma Electric Power Enterprise
23. Director General, Directorate of Trade
24. Director General, Immigration and National Registration Department
25. Director General, Directorate of Labour
26. Chairman, Union of Myanmar Federation of Chambers of Commerce and Industry (UMFCCI)